GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:4024
ANSWERED ON:14.12.2001
REVIVAL OF JUTE MILLS
GANTA SRINIVASA RAO

Will the Minister of TEXTILES be pleased to state:

(a) whether the BIFR in its hearing on June 27, 2001 has again given an opportunity to NJMC/Government to submit a joint proposal for revival of National Jute Manufacturing Corporation Mills;

(b) if so, details thereof, and

(c) the action taken by the Government in this regard so far?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAYA KUMAR)

(a) & (b) The Government, with a view to protect employment to the extent possible and to safeguard the interest of the workers have submitted to BIFR that the order of winding up should not be passed and a mill-wise approach for revival should be attempted. This was proposed to be done by offering these mills to Workers` Cooperatives first, failing which to State Government, Public Sector Undertakings (PSUs) and the private sector. The mills were to be handed over with the condition that the buyer would continue to run these mills at least for 10 years. In the context of these submissions, BIFR in its hearing held on 27.06.2001 accepted the proposal of the Government and passed orders, keeping an earlier prima-facie decision to wind up the Company in abeyance for 3 months and directed the Operating Agency (Industrial Investment Bank of India Limited, IIBI) to advertise for the sale of these mills unit-wise and to consider all the proposals received. If any proposal emerged as fully tied up, acceptable and viable the Operating Agency will submit a report to the BIFR. If no such proposal was received in response to the advertisement, the Operating Agency will informed the BIFR immediately. The BIFR in such circumstances would confirm the earlier prima-facie order of winding up of the company without holding any further hearing.

(c) In pursuance of the directions of BIFR, the Operating Agency (IIBI) has invited bids for sale of six units of National Jute Manufactures Corporation Limited (NJMC) through open advertisement. The bids have been received from perspective bidders and are being evaluated by BIFR for finalisation of their recommendations to BIFR.